

DEPARTMENT OF INDUSTRIAL RELATIONS
Division of Labor Statistics and Research
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TRAVEL AND SUBSISTENCE PROVISIONS

FOR

OPERATING ENGINEER FOR LANDSCAPE CONSTRUCTION PROJECTS

IN

ALAMEDA, ALPINE, AMADOR, BUTTE, CALAVERAS, COLUSA,
CONTRA COSTA, DEL NORTE, EL DORADO, FRESNO, GLENN,
HUMBOLDT, KINGS, LAKE, LASSEN, MADERA, MARIN,
MARIPOSA, MENDOCINO, MERCED, MODOC, MONTEREY, NAPA,
NEVADA, PLACER, PLUMAS, SACRAMENTO, SAN BENITO,
SAN FRANCISCO, SAN JOAQUIN, SAN MATEO, SANTA CLARA,
SANTA CRUZ, SHASTA, SIERRA, SISKIYOU, SOLANO, SONOMA,
STANISLAUS, SUTTER, TEHAMA, TRINITY, TULARE,
TUOLUMNE, YOLO AND YUBA COUNTIES

63-3-75

MASTER AGREEMENT
FOR NORTHERN CALIFORNIA
BETWEEN
LANDSCAPE CONTRACTORS COUNCIL
OF NORTHERN CALIFORNIA
AND LOCAL UNION NO. 3
OF THE INTERNATIONAL UNION
OF OPERATING ENGINEERS, AFL-CIO

RECEIVED
Department of Industrial Relations

OCT 25 2010

Div. of Labor Statistics & Research
Chief's Office

THIS AGREEMENT, made and entered into this 1st day July, 2010, by and between the LANDSCAPE CONTRACTORS COUNCIL OF NORTHERN CALIFORNIA ("Employer") and OPERATING ENGINEERS LOCAL UNION NO. 3 of the International Union of Operating Engineers, AFL-CIO ("Union").

01.00.00 EMPLOYEES, CLASSIFICATIONS, MANNING, AND WAGE RATES

01.01.00 On all work covered by this Agreement (Section 02.05.00) when performed, and in all instances in which equipment used in the performance of work covered by this Agreement is operated, regardless of when the work was bid or let, such work shall be performed and such equipment shall be operated by Employees obtained in accordance with Section 04.00.00 and the Job Placement Regulations of this Agreement and they and each of them shall be employed in the classifications and at the wage scales as follows, including such additions as may be made in accordance with Section 20.00.00.

01.01.01 Notwithstanding any provisions of this Section 01.00.00 relating to manning, any piece of equipment involved in excavation for which no employee is setting line or grade, or performing work which historically has been performed by Assistant to Engineers, an Assistant Engineer shall not be required. If assistance is necessary, such assistance shall be performed by an Assistant to Engineer. In the event a violation is alleged, and a dispute exists which cannot be resolved between the Employer and the Union, any Individual Employer found to be in violation of this Section 01.01.01 by a Board of Adjustment shall forfeit the application of this Section on *ALL* said Individual Employer's jobs or projects for the period of time and in the manner prescribed hereunder:

- (1) *First (1st) Violation:* Said Section shall not apply for a period of three (3) consecutive months from the date said Individual Employer is found in violation by said Board of Adjustment and *manning* all Individual Employer's jobs or projects shall be in accordance with the requirements of Section 01.03.00 *Classifications, Manning and Rates*;
- (2) *Second (2nd) Violation:* Same application as in (1) above for a period of six (6) consecutive months;
- (3) *Third (3rd) Violation:* Same application as in (1) and (2) above for the duration of the Agreement.

NOTE: This Section shall not apply to any traditional crane work and any manning requirements on crane work shall be in accordance with Section 01.03.01.

01.02.00 Area Definitions. Section 24.00.00 provides a description of Areas 1 and 2 based upon Township and Range Lines. The Area 2 wage, as set forth in Section 01.03.00, shall be paid in all areas of Northern California not included in Area 1.

01.02.01 If all compensable time is spent by any Employee in Area 1, he shall be paid the Area 1 rate.

01.02.02 If two (2) or more hours of compensable time (straight or overtime) on any shift are spent by an Employee in Area 2, he shall be paid the Area 2 rate for the entire day.

01.02.03 The Employees employed by an Individual Employer in a permanent yard or shop or plant and Employees employed by an Individual Employer on residential construction projects (not camps), subdivisions, buildings of three (3) stories or less including utilities and site work related to these buildings, streets, roadways and utilities which are a part of a residential construction project located within Area 2 shall be paid the Area 1 wage rate.

08.00.00 SUPPLEMENTARY WORKING CONDITIONS

08.01.00 Tools. The Individual Employer shall provide on each jobsite a secure place where his Heavy Duty Repairman may keep his tools. If all or any part of a Heavy Duty Repairman's kit of working tools is lost by reason of the failure of the Individual Employer to provide such a secure place, or by fire, flood, or theft involving forcible entry while in the secure place designated by the Individual Employer, the Individual Employer shall reimburse such Heavy Duty Repairman for any such loss from a minimum of one hundred dollars (\$100.00) to a maximum of twenty-five thousand (\$25, 000.00). In order to obtain the benefits of this paragraph, a Heavy Duty Repairman must provide the Individual Employer with an inventory of his tools at the time he commences work and updated inventory whenever the Heavy Duty Repairman acquires additional tools.

08.01.01 Heavy Duty Repairmen shall furnish their own hand tools, but special tools shall be furnished by the Individual Employer as needed, such as: pin presses, spanner wrenches, air or electric wrenches, testing and measuring devices other than a hand rule, gear and bearing pullers, electric drills, reamers, taps and dies, oxy-acetylene hoses, gauges, torches and tips, torque wrenches, twenty-four-inch (24") pipe wrenches or socket wrenches, and sockets requiring over three-quarter-inch (3/4") drive, box-end wrenches over 1" and open-end wrenches over 1". Heavy Duty Repairmen and/or the Registered Apprentices shall be entitled to a tool pick-up time before the end of each shift, which shall not be less than five (5) minutes or more than fifteen (15) minutes.

08.02.00 Transportation. No Employee covered by this Agreement shall, as a condition of employment, furnish transportation within the jobsite or between jobsites, or from yard to jobsite for transportation of Employees or tools or equipment or for any other purpose.

08.02.01 When the Individual Employer transports Employees from yard to jobsite, or within jobsite, or to power lines or pipelines, he shall provide safe and suitable transportation.

08.02.02 When the access to where the work is being performed (at a job or project or within a job or project) is unsuitable, or no parking facilities are provided within a five-minute walk from where the Employees' work is being performed, the Individual Employer shall transport the Employees to and from where the Employees' work is to be performed, and such transport shall be one-half on the Individual Employer's time and one-half on the Employees' time.

08.02.03 Where free parking is not available, parking places or parking facilities will be provided by the Individual Employer for the Employees at no cost to the Employees. If the Employee must pay for parking the Individual Employer shall reimburse the Employee for each parking expenditure; provided, however, the Individual Employer may require the submission of dated and signed receipts. Such receipts may be turned in weekly or on termination of employment whichever is sooner.

08.02.04 The transportation, by means of its own power, of equipment and the loading and unloading of equipment of the type or kind operated by Employees covered by this Agreement shall be performed by Employees covered by this Agreement.

08.03.00 Facilities. The Individual Employer agrees to furnish suitable shelter and protection to protect the Employees from falling material and from the elements (including, but not limited to, dust, heat, rain and cold).

08.03.01 On all jobs, clean drinking facilities and cool water shall be provided the Employees by the Individual Employer.

08.03.02 Suitable, adequate and sanitary toilet facilities shall be provided on all jobs.

08.04.00 Employee Bonds. No Employee shall be required by Employer or any Individual Employer to deposit a cash bond with the Employer or the Individual Employer or any other person. In the event that a surety bond is so required, the Employer or the Individual Employer shall pay the premium upon said bond.

09.00.00 *SERVICING OTHER CRAFTS*

09.01.00 Employees on a particular project and assigned to work with a craft or crafts temporarily shall not be entitled to any of the conditions of the craft or crafts. "Temporarily" shall be interpreted as meaning any work performed in a single day of four (4) hours or less.

09.02.00 When Employees covered by this Agreement are employed on a job or project where another craft or crafts work a shorter day or shorter week, such Employees affected shall be afforded the opportunity to earn an amount equal to a full shift, full day or full week, as the case may be, at the applicable straight-time wage rate.

09.03.00 When Employees perform work covered by this Agreement in support of another craft that receives overtime for any period of time between 8:00 a.m. and 4:30 p.m., Monday through Friday, they shall be compensated on the same basis.

09.04.00 Combination mixer and compressor operator on gunite work shall be classed as servicing a Specialty craft or crafts.

10.00.00 *ADDITIONAL RESPONSIBILITY*

10.01.00 *Working Leadman.* When an Individual Employer employs more than one (1) Heavy Duty Repairman and less than five (5) Heavy Duty Repairmen on any shift, and if a Heavy Duty Master Mechanic or Heavy Duty Repairman Foreman is not employed on such shift, then in lieu of such supervision one (1) Heavy Duty Repairman shall be a working Leadman and his straight-time hourly wage rate shall be that of Group 4, set out in Section 01.03.00 plus fifty cents (\$.50) per hour.

10.02.00 *Payment of Wages.* Each Employee shall be paid his wages in full each week promptly after the close of his shift on payday and on the jobsite. The wages of Employees who are terminated, shall be due and payable in full at the time of termination. Employees quitting or resigning shall be paid in accordance with the laws of the State of California. Accompanying each payment of wages shall be a separate statement identifying the Individual Employer, and showing the total earnings, the amount of each deduction, the purpose thereof and net earnings.

10.02.01 Habitual violations of this Section will subject the Individual Employer to penalties as may be determined by the Board of Adjustment.

10.03.00 *Work at More Than One Rate.* If more than one (1) straight-time hourly rate is applicable to the work performed by an Employee during his regular shift or on overtime, his pay shall be computed at the highest straight-time hourly rate, or overtime as the case may be, applicable to the work, equipment, area, location and classification for the full shift and for all the overtime due in any workday, Saturday, Sunday or holiday. Provided, however, that the Employee works a minimum of two (2) hours at the higher straight-time hourly rate of pay.

10.03.01 No Employee receiving a higher rate of pay or better conditions by reason of an existing contract with another employer association or Employer and the Union shall suffer a reduction of pay or loss of conditions by reason of the execution of this Agreement.

10.03.02 No Employee receiving a higher rate of pay or better conditions by reason of an existing contract with another employer association or Employer and the Union shall suffer a reduction of pay or loss of conditions by reason of such association becoming an Employer or his Employer becoming an Individual Employer and the Employee becoming an Employee hereunder.

~~11.00.00 *SUBSISTENCE AND TRAVEL, RENTED EQUIPMENT*~~

11.01.00 On any job, location or project located more than thirty-five (35) miles from the permanent yard of the Individual Employer, Operating Engineers employed by an Individual Employer who is regularly engaged in the business of renting hoisting equipment (except cranes), gradalls, truck-mounted pavement breakers, or truck-mounted earth augers, on a fully operated basis, shall receive in addition to their regular and overtime wages a daily subsistence as follows:

Effective June 16, 1999 — \$20.00

11.01.01 Any crane rental work to be performed on a fully operated basis shall be performed under the wage rates, fringe benefit rates and all other terms and conditions of the existing Master Agreement for Equipment Rental.

11.01.02 Within thirty (30) days of the execution of this Agreement, any such Individual Employer having more than one (1) yard shall notify the Union, in writing, of the location of his permanent yard, or permanent yards. Such locations can be changed once each year by giving written notice to the Union. Such payments for subsistence shall be excluded from the wages of the Employee for the purpose of the Fair Labor Standards Act.

11.01.03 No subsistence shall be paid on any job when the Employee's time starts and ends at the Individual Employer's permanent yard without any break in compensable hours except for meal periods.

11.02.00 On jobs on which an Employee does not receive subsistence, the understanding of the undersigned parties is as follows:

11.02.01 An Employee shall not receive travel time or travel expense except under 11.03.00 and 11.04.00 below.

11.03.00 Travel Expense. Where the Employee is transported on the Individual Employer's equipment, travel expense shall not be due.

11.03.01 Travel expense will be paid when moving cranes from yard to job, job to yard and job to job when crane is not returned to its original starting point at the end of the day, and when the Employee receives travel time under 11.04.00.

11.03.02 Travel expense, when due an Employee furnishing his own transportation shall be paid at the rate of twenty-five cents (\$.25) per mile, and the Individual Employer shall also pay bridge, ferry or toll fares involved; provided that no Employee shall be required to furnish the means of transportation as a condition of employment.

11.04.00 Travel Time. On any day on which an Employee is required to report to the yard, the Employee's time will start at the yard. On any day on which the Individual Employer requires an Employee to return to the yard and when, absent a pre-arrangement to cover transportation under 11.03.01, an Employee is required to report to the yard on that date, an Employee's time will end at the yard.

12.00.00 FRINGE BENEFITS

12.01.00 General Provisions. The Individual Employer will make the following payments for each hour worked or paid each Employee by an Individual Employer covered by this Agreement. Such payments shall be paid by each Individual Employer by the due date specified in Section 12.01.02.

12.01.01 Determination of Delinquencies. Any Individual Employer shall be considered delinquent if late payment or underpayment occurs whether because it (a) fails to submit a contribution report form with the full contribution by the delinquent date specified in Section 12.01.02, or (b) fails to submit contributions on behalf of all employees for whom contributions are required under its contribution agreement, or (c) fails to properly compute the contributions according to the applicable contributions formula, or (d) otherwise fails to meet its obligations to the Trust Funds.

12.01.02 Due Date and Delinquent Date. The due date for Individual Employer contributions is the 15th day of the month immediately following the month for which work was performed or paid. The delinquent date is the 26th day of the month immediately following the month for which work was performed or paid for unpaid contributions not received by the 25th day of the month.

12.01.03 Place and Manner of Payment. All Individual Employer payments shall be made in Alameda, California, or such other location as may be designated by the Trust Funds. All such payments shall be made in the manner provided by the applicable Trust Agreement creating a Trust Fund, or if not a Trust Fund, in the manner provided for in this Agreement. Each Individual Employer is bound by all the terms and conditions of each Trust Fund's Trust Agreement and any amendment thereto whether adopted before or after this Agreement, all of which documents are incorporated herein by reference.

12.01.04 Examination of Records. The Union or the Trust Funds, or their agents or accountants may require the Individual Employer to submit to them for examination, any information relevant to the administration of the Trust Funds, to confirm the Individual Employer's reporting compliance, and the Individual Employer must submit such information pursuant to the terms of the Trust Agreements incorporated herein. If more than minor underpayments are found due on audit, the Individual Employer shall reimburse the Trust Funds, upon demand of the Trust Funds, the

costs of said examination in addition to any other obligations it may have hereunder. Minor underpayments shall be defined as 10 % of the proper contributions for the period tested

12.02.00 Health and Welfare and Sick Benefits. Each Individual Employer covered by this Agreement shall pay into the Operating Engineers' Health and Welfare Trust Fund for Northern California according to the following schedule:

Effective July 1, 2010— Eight dollars and fifty-eight cents (\$8.58) per hour

Effective June 27, 2011 —Nine dollars and forty-four cents (\$9.44) per hour (*)

Effective June 25, 2012 —Ten dollars and thirty-nine cents (\$10.39) per hour (*)

(*) For the years 2011 and 2012, if the amount provided is more than sufficient to fund the Health & Welfare, the balance may be allocated by the Members. In the event the amounts are found to be insufficient any additional monies may be re-allocated from existing wages and/or fringes.

12.02.01 If a National Health Act or State Health Care Act is enacted, the parties shall meet to eliminate any duplicate benefits and duplicate cost to the Individual Employer. If the Individual Employer's total benefit cost for providing Health and Welfare benefits to Employees is reduced because of a change in the law, the Union shall allocate the savings portion of the hourly Operating Engineers' Health & Welfare Fund contribution rate, as determined by the Board of Trustees, to the Operating Engineers' Pension Trust Fund for purposes of funding any liabilities

12.03.00 Pensioned Health and Welfare. Each Individual Employer covered by this Agreement shall pay into the Pensioned Operating Engineers' Health and Welfare Trust Fund according to the following schedule:

Effective June 26, 2006— One dollar and seventy-one cents (\$1.71) per hour

12.04.00 Pension. To fund the Pension Plan for the Pension Trust Fund for Operating Engineers, each Individual Employer covered by this Agreement shall pay into the Pension Trust Fund for Operating Engineers, according to the following schedule:

Effective June 29, 2009 — Six dollars and seventy-five cents (\$6.75) per hour

Effective July 1, 2010 — Seven dollars and thirty-five cents (\$7.35) per hour

Effective June 27, 2011 — Eight dollars and one cent (\$8.01) per hour (*)

Effective June 25, 2012 — Eight dollars and sixty-four cents (\$8.64) per hour (*)

(*) For the years 2011 and 2012, if the amount provided is more than sufficient to fund the Pension, the balance may be allocated by the Members. In the event the amounts are found to be insufficient any additional monies may be re-allocated from existing wages and/or fringes.

The parties agree that sufficient contributions will be made available from these increases to the Pension Fund to support any rehabilitation/funding improvement schedule adopted by the Pension Board of Trustees pursuant to the Pension Protection Act of 2006 and the Union will select an option (Schedule) in the Pension's Funding Improvement Plan. Additional monies required for such rehabilitation/funding improvement schedule shall be reallocated from the existing wages and/or fringe benefits.

12.04.01 Each Individual Employer covered by this Agreement shall pay into the Operating Engineers' Pension Trust Fund according to the following schedule for Apprentices:

~~Effective June 29, 2009-1st Period thru 5th Period — Five dollars and fifteen cents (\$5.15) per hour~~

Effective July 1, 2010 1st Period thru 5th Period — Five dollars and seventy-five cents (\$5.75) per hour

Effective June 27, 2011 1st Period thru 5th Period — Six dollars and forty-one cents (\$6.41) per hour (*)

Effective June 25, 2012 1st Period thru 5th Period — Seven dollars and four cents (\$7.04) per hour (*)

(*) For the years 2011 and 2012, if the amount provided is more than sufficient to fund the Pension, the balance may be allocated by the Members.

12.04.02 The Pension Plan is and has been a defined benefit pension plan.

October 8, 2010-CG/sac

Master Landscape Final

CA New 2010-2013

Thence Easterly to the Northwest corner of Township 21S, Range, 7E,
 Thence Southerly to the Southwest corner of Township 21S, Range, 7E,
 Thence Easterly to the Northwest corner of Township 22S, Range 9E,
 Thence Southerly to the Southwest corner of Township 22S, Range 9E,
 Thence Easterly to the Northwest corner of Township 23S, Range 10E,
 Thence Southerly to the Southwest corner of Township 24S, Range 10E,
 Thence Easterly to the Southwest corner of Township 24S, Range 31E,
 Thence Northerly to the Northeast corner of Township 20S, Range 31E,
 Thence Westerly to the Southeast corner of Township 19S, Range 29E,
 Thence Northerly to the Northeast corner of Township 17S, Range 29E,
 Thence Westerly to the Southeast corner of Township 16S, Range 28E,
 Thence Northerly to the Northeast corner of Township 13S, Range 28E,
 Thence Westerly to the Southeast corner of Township 12S, Range 27E,
 Thence Northerly to the Northeast corner of Township 12S, Range 27E,
 Thence Westerly to the Southeast corner of Township 11S, Range 26E,
 Thence Northerly to the Northeast corner of Township 11S, Range 26E,
 Thence Westerly to the Southeast corner of Township 10S, Range 25E,
 Thence Northerly to the Northeast corner of Township 9S, Range 25E,
 Thence Westerly to the Southeast corner of Township 8S, Range 24E,
 Thence Northerly to the Northeast corner of Township 8S, Range 24E,
 Thence Westerly to the Southeast corner of Township 7S, Range 23E,
 Thence Northerly to the Northeast corner of Township 6S, Range 23E,
 Thence Westerly to the Southeast corner of Township 5S, Range 20E,
 Thence Northerly to the Northeast corner of Township 5S, Range 20E,
 Thence Westerly to the Southeast corner of Township 4S, Range 19E,
 Thence Northerly to the Northeast corner of Township 1S, Range 19E,
 Thence Westerly to the Southeast corner of Township 1N, Range 18E,
 Thence Northerly to the Northeast corner of Township 3N, Range 18E,
 Thence Westerly to the Southeast corner of Township 4N, Range 17E,
 Thence Northerly to the Northeast corner of Township 4N, Range 17E,
 Thence Westerly to the Southeast corner of Township 5N, Range 15E,
 Thence Northerly to the Northeast corner of Township 5N, Range 15E,
 Thence Westerly to the Southeast corner of Township 6N, Range 14E,
 Thence Northerly to the Northeast corner of Township 10N, Range 14E,
 Thence Easterly along the Southern line of Township 11N, to the California / Nevada State Border,
 Thence Northerly along the California / Nevada State Border to the Northerly line of Township 17N,
 Thence Westerly to the Southeast corner of township 11N, to the California / Nevada State Border,
 Thence Northerly along the California / Nevada State Border to the Northerly line of Township 17N,
 Thence Westerly to the Southeast corner of Township 18N, Range 10E,
 Thence Northerly to the Northeast corner of Township 20N, Range 10E,
 Thence Westerly to the Southeast corner of Township 21N, Range 9E,
 Thence Northerly to the Northeast corner of Township 21N, Range 9E,
 Thence Westerly to the Southeast corner of Township 22N, Range 8E,
 Thence Northerly to the Northeast corner of Township 22N, Range 8E,
 Thence Westerly to the Northwest corner of Township 22N, Range 8E,

Thence Northerly to the Southwest corner of Township 27N, Range 8E,
 Thence Easterly to the Southeast corner of Township 27N, Range 8E,
 Thence Northerly to the Northeast corner of Township 28N, Range 8E,
 Thence Westerly to the Southeast corner of Township 29N, Range 6E,
 Thence Northerly to the Northeast corner of Township 32N, Range 6E,
 Thence Westerly to the Northwest corner of Township 32N, Range 6E,
 Thence Northerly to the Northeast corner of Township 35N, Range 5E,
 Thence Westerly to the Southeast corner of Township 36N, Range 3E,
 Thence Northerly to the Northeast corner of Township 36N, Range 3E,
 Thence Westerly to the Southeast corner of Township 37N, Range 1W,
 Thence Northerly to the Northeast corner of Township 38N, Range 1W,
 Thence Westerly to the Southwest corner of Township 39N, Range 2W,
 Thence Northerly to the Northeast corner of Township 40N, Range 2W,
 Thence Westerly to the Southwest corner of Township 41N, Range 4W,
 Thence Northerly to the Northeast corner of Township 42N, Range 4W,
 Thence Westerly to the Southeast corner of Township 43N, Range 5W,
 Thence Northerly to the California / Oregon State Border,
 Thence Westerly along the California / Oregon State Border to the Westerly Boundary of Township Range 8W,
 Thence Southerly to the Southwest corner of Township 43N, Range 8W,
 Thence Easterly to the Southeast corner of Township 43N, Range 8W,
 Thence Southerly to the Southwest corner of Township 42N, Range 7W,
 Thence Easterly to the Southeast corner of Township 42N, Range 7W,
 Thence Southerly to the Southwest corner of Township 41N, Range 6W,
 Thence Easterly to the Northwest corner of Township 40N, Range 5W,
 Thence Southerly to the Southwest corner of Township 38N, Range 5W,
 Thence Westerly to the Northwest corner of Township 37N, Range 6W,
 Thence Southerly to the Southwest corner of Township 35N, Range 6W,
 Thence Westerly to the Northwest corner of Township 34N, Range 10W,
 Thence Southerly to the Southwest corner of Township 31N, Range 10W,
 Thence Easterly to the Northwest corner of Township 30N, Range 9W,
 Thence Southerly to the Southwest corner of Township 30N, Range 9W,
 Thence Easterly to the Northwest corner of Township 29N, Range 8W,
 Thence Southerly to the Southwest corner of Township 23N, Range 8W,
 Thence Easterly to the Northwest corner of Township 22N, Range 6W,
 Thence Southerly to the Southwest corner of Township 16N, Range 6W,
 Thence Westerly to the Southeast corner of Township 16N, Range 9W,
 Thence Northerly to the Northeast corner of Township 16N, Range 9W,
 Thence Westerly to the Southeast corner of Township 17N, Range 12W,
 Thence Northerly to the Northeast corner of Township 18N, Range 12W,
 Thence Westerly to the Northwest corner of Township 18N, Range 15W,
 Thence Southerly to the Southwest corner of Township 14N, Range 15W,
 Thence Easterly to the Northwest corner of Township 13N, Range 14W,
 Thence Southerly to the Southwest corner of Township 13N, Range 14W,
 Thence Easterly to the Northwest corner of Township 12N, Range 13W,
 Thence Southerly to the Southwest corner of Township 12N, Range 13W,

Thence Easterly to the Northwest corner to Township 11N, Range 12W,
Thence Southerly into the Pacific Ocean, and,
Commencing in the Pacific Ocean on the extension of the Humboldt Base Line,
Thence Easterly to the Northwest corner of Township 1S, Range 2E,
Thence Southerly to the Southwest corner of Township 2S, Range 2E,
Thence Easterly to the Northwest corner of Township 3S, Range 3E,
Thence Southerly to the Southwest corner of Township 4S, Range 3E,
Thence Easterly to the Southeast corner of Township 5S, Range 4E,
Thence Northerly to the Northeast corner of Township 4S, Range 4E,
Thence Westerly to the Southeast corner of Township 3S, Range 3E,
Thence Northerly to the Northeast corner of Township 5N, Range 3E,
Thence Easterly to the Southeast corner of Township 6N, Range 5E,
Thence Northerly to the Northeast corner of Township 7N, Range 5E,
Thence Westerly to the Southeast corner to Township 8N, Range 3E,
Thence Northerly to the Northeast corner of Township 9N, Range 3E,
Thence Westerly to the Southeast corner of Township 10N, Range 1E,
Thence Northerly to the Northeast corner of Township 13N, Range 1E,
Thence Westerly into the Pacific Ocean,

excluding that portion of Northern California contained within the following lines:

Commencing at the Southwest corner of Township 12N, Range 11E, of the Mount Diablo Base and Meridian,
Thence Easterly to the Southeast corner of Township 12N, Range 16E,
Thence Northerly to the Northeast corner of Township 12N, Range 16E,
Thence Westerly to the Southeast corner of Township 13N, Range 15E,
Thence Northerly to the Northeast corner of Township 13N, Range 15E,
Thence Westerly to the Southeast corner of Township 14N, Range 14E,
Thence Northerly to the Northeast corner of Township 16N, Range 14E,
Thence Westerly to the Northwest corner of Township 16N, Range 12E,
Thence Southerly to the Southwest corner of Township 16N, Range 12E,
Thence Westerly to the Northwest corner of Township 15N, Range 11E,
Thence Southerly to the point of beginning at the Southwest corner of Township 12N, Range 11E.
Area 2 shall be all areas not part of Area 1 described above.